



TFSA Investors: 2 Growth Stocks to Buy With \$6,000

Description

The TFSA (Tax-Free Savings Account) is a popular registered account among Canadians. Any withdrawals from the TFSA are exempt from taxes, making it an ideal account for growth investors. You can contribute a maximum of \$6,000 towards your TFSA in 2022, while the total contribution room stands at \$81,500.

The ongoing selloff in the equity market has dragged the valuations of several growth stocks lower, making them attractive to contrarian and value investors. Let's see two quality [growth stocks](#) that should be part of your TFSA right now.

Shopify

One of the largest Canadian companies, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) stock is down 60% from all-time highs. Its suite of products and services allows businesses to establish an online presence. Shopify provides merchants with a [variety of services](#) that includes payment processing, money management, and discounted shipping, among others.

The company ended 2021 with a merchant base of 2.1 million, allowing it to increase e-commerce market share in the U.S. to 10.3% compared to 8.6% in 2020. In the last 12 months, Shopify's gross merchandise volume surged by 47% to US\$175.4 billion while sales were up 57% at US\$4.6 billion. Its operating cash flow rose by 19% to US\$504.4 million in 2021.

Shopify forecasts its total addressable market at US\$160 billion, as it looks to pump in capital and create a robust network of fulfillment centres.

Shopify is part of an expanding addressable market and e-commerce sales as a portion of total retail sales rose to 11.5% in 2020, up from 4.2% in 2010. According to Statista, e-commerce spending south of the border will surge to US\$1.3 trillion in the U.S. in 2025 compared to US\$767 billion in 2021, providing Shopify with enough room to grow top line in the upcoming decade.

Wall Street expects Shopify sales to rise by 31.4% to US\$6 billion in 2022 and to US\$8 billion in 2023.

SHOP stock is also trading at a discount of 28% compared to consensus price target estimates.

Upstart

Upstart Holdings ([NASDAQ:UPST](#)) is another growth stock that should be part of your TFSA right now. Valued at a [market cap](#) of US\$10.5 billion, Upstart has managed to grow its sales from US\$96 million in 2018 to US\$841 million in 2021.

Upstart has successfully leveraged big data and artificial intelligence tools to enable banks and credit unions to underwrite loans as well as automate the lending process. Its portfolio of tools allows users to quantify risk by measuring several data points. So, banks and other institutions can approve loans faster at competitive interest rates, while reducing the possibility of delinquencies.

In fact, a report from the CFPB, or the Consumer Financial Protection Bureau, indicates Upstart's AI model approves 27% more applications compared to traditional credit tools, and it also lowers interest rates by 16% on average.

Upstart is well poised to benefit from multiple secular tailwinds given the company's [addressable market](#) stands at US\$823 billion. It has onboarded 38 bank partners at the end of 2021, and its total transaction volume more than tripled to US\$11.8 billion in the last year.

Similar to most other tech companies, Upstart has an asset-light model, which means it benefits from high operating leverage. Its net income surged to US\$135 million in 2021 — up from just US\$6 million in 2020.

Upstart is a top growth stock, as it is yet to enter the mortgage origination market, which is valued at US\$4.6 trillion, and the small business loans market, which is worth US\$644 billion.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NASDAQ:UPST (Upstart Holdings Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. araghunath
2. kduncombe

Category

1. Investing
2. Tech Stocks

Tags

1. Editor's Choice

Date

2025/09/08

Date Created

2022/03/21

Author

araghunath

default watermark

default watermark